



END OF SESSION — SF 516 — STANDING APPROPRIATIONS

Funding Summary: [Senate File 516](#) makes adjustments to various General Fund standing appropriations and results in a net decrease in appropriations of \$12.2 million for FY 2018 and \$2.4 million for FY 2019. The Bill also transfers \$131.1 million from the Cash Reserve Fund to the General Fund for FY 2017.

Senate File 516 appropriates \$20.0 million from the General Fund to the Cash Reserve Fund for FY 2018 and \$111.1 million for FY 2019.

Fiscal Impact: The \$111.1 million appropriation to the Cash Reserve Fund fills up the State's reserve funds to the FY 2019 statutory maximum of \$763.2 million and results in an estimated surplus carryforward in the General Fund of \$76.6 million in FY 2019. The FY 2019 appropriation, in addition to the \$20.0 million appropriation in FY 2018, fully reimburses the Cash Reserve Fund for the FY 2017 transfer of \$131.1 million to the General Fund.

Funding highlights:

Department of Education:

- [Nonpublic school transportation](#) – Limits the FY 2018 and FY 2019 General Fund appropriations to the Department of Education for nonpublic school transportation to \$8.2 million.
- [Sac and Fox Indian Settlement](#) – Limits the FY 2018 and FY 2019 General Fund standing appropriations to the Department of Education for the Sac and Fox Indian Settlement to \$96,000.
- [Instructional Support](#) – Suspends the General Fund standing appropriation of \$14.8 million to the Department of Education for the Instructional Support Program for FY 2018.
- [Vocational Rehabilitation Services Division](#) – Appropriates \$107,000 to the Iowa Vocational Rehabilitation Services Division of the Department of Education for FY 2018 to meet federal maintenance of effort requirements. **Fiscal Impact:** The appropriation will allow the Division to draw down an additional \$394,000 in federal funds.

Legislative Branch: Reduces the FY 2018 standing appropriation to the Legislative Branch by \$400,000, and prohibits spending for out-of-state travel and organizational dues from the Legislative Branch budget for FY 2018. **Fiscal Impact:** Restricting travel and payment of dues will reduce Legislative Branch expenditures by approximately \$440,000 in FY 2018.

Area Education Agencies (AEAs): Reduces the FY 2018 State school aid funding to AEAs by \$15.0 million.

Governor's Office: Appropriates \$150,000 from the General Fund to the Governor's Office for gubernatorial transition costs for FY 2018.

Department of Public Safety: Appropriates \$200,000 from the General Fund and authorizes 2.0 FTE positions to the Department of Public Safety (DPS) for FY 2018 to expedite the processing of sexual abuse evidence collection kits.

Other provisions:

Budget Process for FY 2019: Requires State agencies to submit FY 2019 budget information to the Department of Management (DOM) and include all proposed expenditures, supporting data, and

explanations. Requires the Director of the DOM to consult with the Legislative Services Agency (LSA) concerning the provision of support data.

Special Funds – Salary Adjustments FY 2018 and FY 2019: Permits salary adjustments to be funded from revolving, trust, or special funds for FY 2018 and FY 2019, as long as the funding does not exceed the operating budgets established by the General Assembly.

Operational Appropriations – FY 2017 Reversion: Requires the unobligated funds that State agencies are currently allowed to carry forward to FY 2018 and spend for training and technology or purchases of products from Iowa Prison Industries to revert to the General Fund at the close of FY 2017.

Special Funds – Salary Adjustments – Unappropriated Moneys: Permits salary adjustments to be funded from unappropriated moneys remaining in various revolving, trust, or special funds for FY 2018 and FY 2019 for which the General Assembly has not established an operating budget.

Judicial Branch: Removes the assignment of space to the Judicial Branch in the Capitol building and requires the Legislative Council to provide the Judicial Branch with the use of space in the State Capitol for ceremonial purposes.

Small Wireless Facility Siting: Amends [SF 431](#) (Small Wireless Facility Siting Bill) to make a technical change clarifying that the type of permit required by an authority is not a building permit, but rather a permit that sets forth certain conditions for siting a small wireless facility.

Technology Modernization Fund: Creates a Technology Modernization Fund under the control of the Secretary of State (SOS). Moneys in the Fund are appropriated to the SOS for purposes of modernizing technology used to fulfill duties of the Office. Requires that no more than \$2.0 million be credited to the Fund in a fiscal year. The Fund is repealed on July 1, 2022 (FY 2023).

Merger Requirements: Permits the sale of the property of the Iowa Braille and Sight Saving School as authorized in [HF 642](#) (FY 2018 Education Appropriations Bill).

Automobile Insurance: Requires primary automobile insurance coverage maintained by a transportation network company driver or a transportation network company on the driver's behalf to be provided by an insurer regulated pursuant to Iowa Code chapters [515](#) and [515I](#).

Voter Identification: Specifies that the General Assembly declares that the appropriation to the SOS in [HF 640](#) (FY 2018 Administration and Regulation Appropriations Bill) is sufficient for the implementation of the voter identification card requirements specified in Division II of [HF 516](#) (Election Integrity Bill).

Alcoholic Beverage Control Study: Requires the Iowa Alcoholic Beverages Division (IABD) of the Department of Commerce to establish an interim study committee regarding enforcement issues related to alcoholic beverage control. The Division will submit its findings in a report to the General Assembly by July 1, 2018.

Sexual Abuse Evidence Collection Kits: Requires that sexual abuse evidence collection kits identified during a survey conducted by the Crime Victim Assistance Division of the Iowa Department of Justice (DOJ) in 2016 be maintained indefinitely by the law enforcement agencies possessing them. The law enforcement agencies are required to submit the kits for analysis at the request of the DOJ.

Fine Arts: Repeals Iowa Code chapter [304A](#), which relates to provisions that require that no less than one-half of one percent of the total estimated cost of the construction of a State building be included for elements of fine arts in the plans and specifications of the building.

Weapons Omnibus: Makes various changes to [HF 517](#) (Weapons Omnibus Bill).

Merchant Lines: Excludes aboveground merchant lines from the definition of “public purpose” for the condemnation of private property. This provision is effective upon enactment and applies to projects or condemnation proceedings commenced on or after the effective date.

Vapor and Alternative Nicotine Products Tax: The Bill defines the term “delivery sale” for alternative nicotine and vapor products, and subjects delivery sales to the sales/use tax. **Fiscal Impact:** This provision subjects alternative nicotine product and vapor sales made through nontraditional retail processes to existing permit fees and the sales/use tax. The State sales/use tax rate is 6.0%, with one percentage point of that tax rate dedicated to local school infrastructure funding and the remaining five percentage points benefiting the State General Fund. The revenue increase to the General Fund is as follows:

- FY 2018: \$765,000
- FY 2019: \$935,000
- FY 2020: \$1.1 million
- FY 2021: \$1.4 million
- FY 2022: \$1.7 million

The revenue increase to school infrastructure is as follows:

- FY 2018: \$153,000
- FY 2019: \$187,000
- FY 2020: \$229,000
- FY 2021: \$280,000
- FY 2022 and subsequent years: \$343,000

National Junior Angus Show: Amends [2015 Iowa Acts, chapter 132](#), to change the year from 2016 to 2017 for a \$10,000 appropriation to the Junior Angus Association. Specifies that any unused or unobligated funds will not revert, but will remain available for use by the Junior Angus Association.

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